

**Office of Consumer Information and Insurance Oversight
State Planning and Establishment Grants for the**

**Affordable Care Act's Exchanges
Quarterly Report**

July15, 2011
Connecticut
Insurance Exchange Planning Grant
Quarter 3: 4/1/11-6/30/11

Grant Contact Information

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PROJECT SUMMARY

Core Area: Background Research

Research vendor contract negotiations were completed July 13, 2011. Due to the delays in this process area, timelines are being reconsidered and compressed to allow for additional time in final report writing without compromising quality and scope.

Core Area: Stakeholder Consultation and Involvement

The fourth grant planning committee meeting was held in May and included updates and discussions on exchange legislation status, RFP processes, and stakeholder engagement.

The initial public engagement process for Exchange planning is nearing completion. The focus of our initial outreach was to build a foundation of understanding regarding Exchanges as well as collect insight from a wide range of individuals, community groups and industry organizations for consideration and integration in Connecticut's planning efforts.

A two-tiered engagement approach was taken consisting of public forums and stakeholder meetings.

Public Forums: Evening forums throughout the state informing the public about HIX and soliciting feedback. Meetings held April-June, 2011.			
Locations	Sites	Outreach	Agenda
<ul style="list-style-type: none"> o Hartford o New London o New Haven o Bridgeport o Danbury o Windham 	<ul style="list-style-type: none"> o Public schools o Town halls o Libraries 	<ul style="list-style-type: none"> o Websites o Existing distribution lists o Print/Electronic media o Non-Profits/Churches o Consumer Groups o Health care providers o Local government o Legislators 	<ul style="list-style-type: none"> o Introductions o Inform (w/handouts) <ul style="list-style-type: none"> o Overview of HIX background o Identify state options o Explain activity and next steps o Solicit Feedback <ul style="list-style-type: none"> o Listen to verbal testimony
Stakeholder Meetings: Held with stakeholders by professional category. Meetings were held May, 2011.			
Location	Organizations	Outreach	Agenda
Onsite at OPM	<ul style="list-style-type: none"> o Small business o Providers o Trade associations o Hospitals o Community health centers o Insurance companies o Insurance agents/brokers o Consumer advocacy groups o Conference of Churches o Nonprofit safety net o Government o Tribal Nations 	<ul style="list-style-type: none"> o Associations o Trade Groups o Coalitions o Response to inquiry o Websites o Other outreach as appropriate 	<ul style="list-style-type: none"> o Introductions o Inform (w/slides & handouts) <ul style="list-style-type: none"> o Overview of HIX background o Identify state options o Explain activity and next steps o Solicit Feedback <ul style="list-style-type: none"> o Identify how info will be used o Questions by topic o Survey on forum effectiveness
Public Hearings		Stakeholder Meetings	
Background materials were provided through outreach vehicles. Transcription service enabled record of verbal comments. Information will be summarized and reported to Governor and General Assembly for Exchange policy and planning.		Materials were made available in advance of meetings to enable thoughtful responses and discussion during event. After the meeting, feedback was summarized and sent back to primary group contact to ensure accuracy of recording. Stakeholder feedback will be summarized and reported to the Governor and General Assembly for Exchange policy and planning.	

Six public forums were held throughout the state and provided initial outreach to the community. The purpose of the forums was to provide basic information on how the State is beginning to plan for an Exchange, to provide information on planning activities to date and to solicit feedback about how Connecticut's citizens would like to see the Exchange develop. The meetings were conducted using a power point presentation with the majority of the time provided for public testimony. These meetings were professionally facilitated, a translator was present, and they were recorded and transcribed. The key issues during each meeting included:

Danbury, CT: April 25, 2011

- Concern about affordability, controlling costs, pricing of plans, and transparency in pricing
- Question about how the Exchange will impact Medicare and Medicaid

- Interest from small employers and consumers
- Exchange Board should have consumers and small employer representation, advisory groups, and provisions against conflict of interest
- Exchange should make comparative information more accessible

New London, CT: April 27, 2011

- Question about tie-in between Sustinet and the Exchange
- Concern about affordability
- Concern about how the Exchange will be funded
- Consider the role of the agent in assisting small employers select insurance
- Good insurance plans need good provider networks

New Haven, CT: May 5, 2011

- Question about how the Exchange will impact HUSKY and Charter Oak
- Exchange Board should have consumer and small employers representation
- Importance of quality, affordability, and access to providers
- Questions about how the Exchange will be paid for and whether it will include advertising
- Concern that rising costs and physician shortage will be difficult to address with the Exchange
- Include medical nutrition therapy in benefits
- Consider the importance of the agent
- Ensure Navigators are properly licensed and insured
- Hope that Sustinet will be part of the Exchange

Hartford, CT: May 9, 2011

- Remember the role and expertise of agents and brokers and ensure Navigators do not take that role
- Cover nutrition services in benefits package
- Concern about costs for persons identified as having pre-existing conditions
- Hope that Sustinet will be part of the Exchange
- Insurance companies should not be on the Exchange Board
- Ensure Navigators are well trained and have a consistent message
- Concerned about cost of health care
- Think regionally about the parts of Connecticut and their different needs
- Consider quality in addition to affordability and accessibility
- Do not create big new government entities
- Importance of community health centers

Windham, CT: May 17, 2011

- Need to have consumers represented on the Exchange Board and not insurance companies
- Support for a public option
- Support for medical homes, accountable care organizations, and other reimbursement structures
- Question about whether the Exchange would impact people on Medicare
- Concern about very high costs currently in the individual market
- Be careful with catastrophic coverage

Bridgeport, CT: June 15, 2011

- Exchange Board should not include insurance brokers
- Community Advisory Committee should be created
- Exchange should be easily accessible to those without access to computers or the internet
- Written material as well as phone support should be in multiple languages
- A non-profit public option should be offered as one of the choices on the Exchange
- Question on how insurance marketplace will be different under Exchange in relation to the expense associated with the cost of insurance plans
- Question on how the Exchange is going to create competition within the insurance marketplace
- Question about whether or not there are subsidies for small businesses buying into the Exchange

Along with the public forums nine stakeholder meetings were held and organized by professional category. Each organization was sent a questionnaire that included pertinent Exchange topics. They were asked to disseminate this questionnaire to the appropriate individuals and to provide the State their comments prior to their scheduled meeting. Comments received were spread sheeted and outlined in a power point presentation which provided the structure and framework for the meeting. This process ensured productive discussions and provided valuable insight. Each stakeholder meeting was professionally facilitated, recorded and transcribed so that a summary of each will be represented in the final planning grant report. Key points made in the meetings were integrated into the original comment submissions and provide the State a summary of stakeholder feedback for Exchange policy development.

The organizations that were invited to meet with Connecticut included:

<p><u>Consumer Advocates Group #1</u> Connecticut Health Policy Project National Multiple Sclerosis Society National Alliance on Mental Illness Family Support Network Legal Assistance Resource Center of CT Office of the Health Care Advocate Advocacy for Patients with Chronic Illness Connecticut Voices for Children Child Health and Development Institute Medical Resources Management Mental Health Association of CT Hispanic Health Council CT Association for Home Care and Hospice</p> <p><u>Brokers and Agents</u> CT Association of Health Underwriters CT Benefit Brokers</p> <p><u>Small Employers</u> CT Business and Industry Association National Federation of Independent Businesses Chamber of Commerce of Eastern Connecticut Greater New Haven Chamber of Commerce Northwest CT Chamber of Commerce Bridgeport Regional Business Council Middlesex County Chamber of Commerce Greater Danbury Chamber of Commerce Central Connecticut Chambers of Commerce MetroHartford Alliance Greater Waterbury Regional Chamber of Commerce The Business Council of Fairfield County Spanish American Merchants Association</p>	<p><u>Consumer Advocates #2</u> New Haven Legal Assistance Association Universal Health care Foundation Connecticut Conference of Churches Connecticut Health Foundation Community Renewal Team Connecticut AIDS Resource Coalition NAACP-CT AARP-CT Connecticut Area Health Education Center The Connecticut Multicultural Health Partnership Asian Pacific American Affairs Commission African-American Affairs Commission Latino and Puerto Rican Affairs Commission CT Commission on Health Equity Urban league Realtors Association</p> <p><u>Providers</u> Connecticut Hospital Association CT Association of Health Care Facilities CT Association of Not-for-Profit Providers for the Aged Radiological Society of Connecticut Connecticut Alliance of Subacute Care Facilities Sharon Hospital CT Academy of Physicians Assistants CT Community Providers Association</p>	<p><u>Providers</u> CT State Medical Society CT State Medical Society IPA CT Medical Management CT Nurses Association CT State Dental Association CT Pharmacists Association Federally Qualified Health Centers</p> <p><u>Insurers</u> Anthem Aetna Cigna Community Health Network ConnectiCare United Health Group Wellcare of CT Celtic American Republic Golden Rule John Alden Trustmark Life Trustmark Time</p> <p><u>Providers</u> CT Naturopathic Physicians Association CT Podiatric Medical Association CT Association of Optometrists CT Dental Hygienists Association CT Chiropractic Association CT Society for Respiratory Care Community Health Center, Inc.</p> <p><u>Tribal Nations</u> Mohegan Tribe Mashantucket Pequot Tribe</p>
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Materials developed for the public engagement outreach efforts include the following and are posted to our Exchange website: www.ct.gov/opm/exchange/grant.

- Public Engagement Strategy Overview
- Stakeholder Topic Questions
- Public Forum power point presentation
- Public Forum leave behind (English and Spanish)
- Public Forum survey
- Public Forum press release
- Public Forum Feedback Summaries
- Stakeholder meetings (attendees and comment documents)

Core Area: Program Integration

Connecticut is using the Exchange Planning Committee as an initial vehicle for program integration and communication between State agencies and stakeholders. Interagency work groups are being formed with the Department of Social Services and Connecticut's Insurance Department as well as others to ensure that current capabilities and future plans are effectively assessed, utilized and leveraged. Roles and responsibilities of the work groups are currently under development and will parallel the needed resources and next steps in planning processes. Specifically, these work groups will begin taking the information from the planning research and will support implementation efforts.

Core Area: Resources and Capabilities

A project consultant and administrative support are currently on board through contractual arrangements under the planning grant. This was an efficient avenue to provide the continued needed project support. OPM staff continue to support all grant administration.

Core Area: Governance

Connecticut has established a quasi-public insurance Exchange and governance structure with the passage of Public Act 11-53. The bill was signed by Governor Malloy on July 1, 2011.

The Exchange Board of Directors composition is modeled on the California Exchange, which does not appoint any representatives of the insurance industry or of health care providers to avoid any conflicts of interest. The Act contains clear conflict of interest language in Section 2(b)(2) prohibiting Board members from involvement in the health insurance industry or health care providers. Transparency of operation and decision making and public accountability are required of the Exchange as it is in all Connecticut quasi-public entities.

Voting members consist of individuals appointed by either the Governor or legislative leadership with expertise in the area of:

- Individual health insurance coverage
- Issues relating to small employer health insurance coverage
- Health care finance
- Health care benefits plan administration
- Health care delivery systems
- Health care economics
- Health care access issues faced by self-employed individuals
- Barriers to individual health care coverage

Ex-Officio voting members consist of the Commissioner of Social Services (Medicaid), the Special Advisor to the Governor on Healthcare Reform, and the Secretary of the Office of Policy and Management. Ex-officio non-voting members consist of the Commissioners of Insurance and Public Health and the Healthcare Advocate.

Board members appointments are being organized with the first meeting to be held by August 1, 2011. With respect to hiring the initial Chief Executive Officer, the Board will nominate three candidates for the Governor to select from. Future Chief Executive Officers will be hired by the Board. All Exchange staff are exempt from state classified service, allowing for a more rapid hiring process and ability to attract staff with high levels of expertise and experience.

Core Area: Regulatory or Policy Actions

When Connecticut's General Assembly enacted Public Act 11-53 (the Act) in June 2011, the Connecticut Health Insurance Exchange was established, which has the necessary legal authority to establish and operate an Exchange in Connecticut that complies with existing Federal requirements. This effort has spanned two Administrations with the participation of both the executive and legislative branches of government and a range of consumers and stakeholders.

Throughout the deliberations among stakeholders convened under both the previous Administration of Governor Rell and the current Administration of Governor Malloy, and within the General Assembly during the 2011 legislative session, there was consensus on establishing a state Exchange as a quasi-public authority. This model provides for governmental oversight, while allowing for a more nimble organization to respond to the demanding timelines established under the ACA.

In February 2011, under the direction of Governor Malloy, the Office of Policy and Management submitted a legislative proposal establishing the Connecticut Health Insurance Exchange (Senate Bill 921). In order to be as responsive as possible to the requirements of the ACA, this bill largely reflected the model legislation developed by the National Association of Insurance Commissioners (NAIC). Two other Exchange bills were raised: one by House Speaker Christopher Donovan (House Bill 6323) and one by Senator Pro Tempore Donald Williams (Senate Bill 1204). Although divergent with regard to several policy issues related to governance and operation, all three bills proposed a quasi-public authority, established a Governance structure, and provided for the necessary legal authority to establish and operate an ACA compliant Exchange. All three bills received public hearings in February and March of 2011. Through a long negotiating process between Governor Malloy's Administration and legislative leadership for the House and Senate, as well as with stakeholder involvement, a single Exchange bill was agreed upon and passed. *Link:* <http://www.cga.ct.gov/2011/ACT/PA/2011PA-00053-R00SB-00921-PA.htm>.

The Act establishes a quasi-public entity that is Governed by an 11 member Board of Directors (see the Governance section for details on Board appointments). The Board may convene stakeholder advisory committees to address such issues as customer service needs and insurance producer concerns. As stated in the Act, the purpose of the Exchange is "to reduce the number of individuals without health insurance in this state and assist individuals and small employers in the procurement of health insurance by, among other services, offering easily comparable and understandable information about health insurance options." The Act includes much of the ACA conforming language provided by the NAIC.

In addition to the establishment of the Exchange Authority, an additional piece of legislation was enacted by Connecticut's General Assembly in June 2011 to support state efforts to implement federal health care reform.

Connecticut has nothing to report this quarter in the Core Areas of: Finance, Technical Infrastructure and Business Operations all of which are being researched currently.

Barriers, Lessons learned and Program Recommendations

Nothing new to report at this time.

Technical Assistance

The webinars and conference calls, as well as strong support from our Project Officer, continue to be beneficial in this process.

Draft Exchange Budget

Connecticut remains in the preliminary stages of implementation planning.

Work Plan

Background Research

Milestone 1: Contract negotiations completed
Timing: July 13, 2011
Description: Vendor research work begins.

Stakeholder Involvement

Milestone 1: Initial Public Engagement plan Complete
Timing: June, 2011
Description: 6 Public forums were held throughout the State. Over 80 stakeholder organizations were invited to participate.

Program Integration

Milestone 1: Interagency Work Groups under consideration
Timing: June, 2011
Description: Integration and collaboration between agencies to ensure continued progress

Milestone 2: Level One Establishment Grant Application submitted
Timing: Submitted June 30, 2011
Description: Funding to bridge the gap between the planning deliverables and full implementation

Milestone 3: Early Innovator Grant Leadership Team meeting with Exchange Leadership
Timing: July, 2011
Description: To further collaboration between the Early Innovator Grant outcomes/benefits and CT's Exchange planning efforts in terms of leveraging capabilities.

Resources and Capabilities

Milestone 1: Contracted with project consultant and administrative support staff
Timing: June, 2011
Description: To support necessary planning grant goals and objectives

Governance:

Milestone 1: Passed Exchange Legislation: Public Act 11-53
Timing: June 2011
Description: Public Act 11-53 establishes a Quasi-State Health Insurance Exchange Authority for Connecticut.

Collaborations/Partnerships

Continued engagement in the Early Innovator Grant project has been beneficial to IT systems considerations.

